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Do U.S. Terms Offer Basis for Cold War Truce?

The United States is in grave peril. The peril is not military attack from outside but the diverting of public attention to politically-inspired attacks on the Department of State. Unless traditional American common sense soon intervenes to stop these attacks, it may all too easily demoralize officials charged with the administration of foreign policy, and lead to grave miscalculations about the course this country should follow in a period calling for the most carefully considered decisions. Criticism is always needed, and in a democracy should be welcomed, and even sought, by the Department of State. But it should be informed criticism, not ill-informed and irresponsible recrimination.

In the past few weeks, as the debate on American-Russian relations precipitated by President Truman's decision to proceed with the development of the hydrogen bomb has waxed more intense, some questions have been raised and some answers given by officials both in the United States and the U.S.S.R. What hints about the future can be gleaned from Secretary of State Dean Acheson's two California addresses, studied in conjunction with George Kennan's article in the March *Reader's Digest*, and from speeches delivered by eleven members of the Politburo (with the notable exception of Stalin) on the eve of the March 12 elections to the Supreme Soviet?

War Not Inevitable?

In his *Reader's Digest* article (published also in the Department of State *Bulletin* of February 20), George F. Kennan, former chairman of the State Department's

Policy Planning Committee, now about to take a leave of absence, raises the over-all question that has been on everyone's mind: "Is War with Russia Inevitable?" In his answer Mr. Kennan forthrightly states that the Russians are not planning to make war on us. He also declares that Moscow's discovery of the secret of manufacturing the atomic bomb has not altered the situation "very much"—a point vigorously disputed by other experts.

If war with Russia is not inevitable, what should be our next step? United States spokesmen have made it repeatedly clear in the past six months that Washington stands firm on the Baruch plan of 1946 for international control of atomic energy; that it sees no use, for the present, in undertaking direct negotiations with Moscow; but that it remains ready to continue conversations in the United Nations through the agency of the Atomic Energy Commission, whose work has in the meantime been suspended by Russia's "walk-out" on the issue of seating the representative of the Chinese Communist regime. Mr. Acheson and Mr. Kennan have both expressed the conviction that any settlement reached with the U.S.S.R. would prove illusory. "The agreement," writes Mr. Kennan, "would be worth precisely what the realities of world power made it worth at any particular moment." Their conclusion, as stated by Mr. Acheson in recent press conferences, as well as in his addresses on Asia on March 15 before the Commonwealth Club of San Francisco and on American-Russian tensions at the University of California on March 16, is that the United States should

make every effort to strengthen the areas that remain within reach of its influence, not only through the material means of economic and military aid, but also through the moral means of practicing the ideals of democracy.

The Seven Points

However, in response to Congressional demand for positive action spearheaded by Democratic Senators Brien MacMahon and Millard Tydings, Mr. Acheson, after saying at Berkeley that "we want peace, but not at any price," and that the United States does not intend to "play the role of international sucker," called for Soviet co-operation in good faith in a seven-point program to ease world tensions and permit the co-existence of the Russian and Western systems "in reasonable security." What views may one expect the Kremlin to hold concerning these seven points?

I. PEACE TERMS. Mr. Acheson's first point concerned a definition of terms of peace with countries defeated in World War II. In the case of Hungary, Rumania and Bulgaria, he said, the Soviet government has been guilty of "shocking betrayal" of solemn pledges made by the wartime allies. "For our part," the Secretary declared, "we do not intend nor wish, in fact we do not know how, to create satellites. We can accept settlements which would make Germany, Japan and Austria free countries. But we cannot accept a settlement which would make Germany, Japan or liberated Austria satellites of the Soviet Union."

Concerning peace terms, Soviet Deputy Premier Vyacheslav Molotov said in his

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pre-election speech that the sooner Germany realized the historic import of the formation of the Eastern German republic, "the sooner will it attain national unification." He blamed the United States and other Western powers for the present division which, he said, was "throwing Germany back 100 years." He said detachment of the Saar and separation of the industrial Ruhr were doomed to "scandalous fiasco" and accused the United States of blocking the Japanese peace treaty. In a long article in *Pravda* on March 19, Yakob Victorov, a prominent Soviet commentator on international affairs, called for "active participation of all interested countries" (presumably including Communist China) in the preparation of the Japanese peace treaty, a similar procedure to that used in drafting the peace treaties with Italy and other Nazi satellites.

The Russians have made it clear since 1945 that they would not regard their security assured by the liberation of Germany and Japan from Allied occupation and controls if the two former enemy states were ruled by the groups which before 1939 had supported their respective Fascist and militarist leaders. There is no doubt that Moscow wants to see the establishment in Germany and Japan of governments dominated either by Communists or by elements not hostile to communism. The United States, for its part, is determined to exclude Communist influence in Germany and Japan. What would seem "reasonable security" to one side would loom as grave insecurity to the other. How can this issue be resolved? Can we give assurances to Russia that Germany, once liberated, would not fall under Fascist rule when we ourselves now see the strength of German militant nationalism? Would we be prepared to leave Japan and take our chances with the kind of government that may emerge there once our occupation has been terminated?

Dispute on Elections

2. FREE ELECTIONS. Mr. Acheson proposed that the Soviet Union withdraw its military and police forces from the "satellite" countries of Eastern Europe and the Balkans and permit the holding of free elections. Nothing else, he suggested, would "so alter the international climate," and he could not believe that such a step would endanger Russia's security.

On this issue, vigorously debated since the Yalta pledge of "free elections," there is bound to be particularly serious dispute

as to definition of terms. What do we mean by free elections in Eastern Europe and the Balkans? Do we mean elections as they are conducted in the United States and Britain—or as they were conducted on March 5 in Greece, where a government over which the United States has a great deal of influence outlawed the Communist party? If the Greek elections, which were greeted by most of the American press as eminently satisfactory, are regarded as a good example, would we agree to have the governments of Russia's "satellites" exclude those political groups which they, for their part, consider inimical?

But if free elections of the American and British type are urged instead, then, it is asked—by many anti-Tito Yugoslavs among others—why do we not insist that Marshal Tito admit other parties to the March 26 poll for the Yugoslav Parliament? Tito, who has proved himself the most fearless critic of Russia's international methods, nevertheless insists that all parties which oppose his form of "socialism" must be barred from the polls. More serious, what if free elections should produce not, as many Americans hope they would, middle-of-the-road regimes sympathetic to the United States, but extremism of the Right? Would the Soviet Union consider this development a contribution to its security? Would we if we were in Russia's position? Is it possible to say that the countries of Eastern Europe have been used as "satellites" by Russia alone? Does not inter-war history indicate that they have been so used by other nations, particularly by Germany? Can we give guarantees that this would not occur again?

3. U.S.S.R. AND UN. Mr. Acheson chided the Russians for their "obstruction in the United Nations" and said they are deliberately trying to dig themselves "into a minority position in the world organization." If they were to put forward "genuine proposals conducive to the work of peace," they would have a majority with them and this country would be "pleased to be a member of that majority itself."

A great deal can be said, and said with justification, in criticism of Russian tactics in the United Nations. From the outset, however, and long before the "cold war" developed, the U.S.S.R. regarded itself as placed in a permanent minority by the presence of twenty Latin American countries which, whatever their differences on other issues, were expected by Moscow to oppose it on religious grounds,

and to support the United States. The Kremlin's often denounced "overuse" of the veto has been directly connected with efforts to change its present minority position by the admission of nations that would act with it, or at least by preventing the admission of those which would support the Western powers. From the Russian point of view the refusal of the United States to seat the representative of the Chinese Communist regime in the United Nations has appeared as an attempt to perpetuate Russia's minority position. Nor did Mr. Acheson, in his Commonwealth Club speech on Asia, give any indication that recognition of the Peiping regime, opposed by many prominent Republicans, was in prospect.

Control of Arms

4. ATOMIC ENERGY. In his fourth point Mr. Acheson bade the Soviet leaders to "join us in seeking realistic and effective arrangements for the control of atomic weapons and the limitation of armaments in general." He introduced a new note by expressing the belief that an international authority composed of able administrators and scientists could be set up to administer control of atomic energy that would not be dominated by either the United States or the U.S.S.R.

In pre-election speeches, Marshal Voroshilov denounced the "atomic blackmailing diplomacy of instigators of further world war," and Lazar Kaganovich said, "Now that we are in possession of this secret we can compel even atomic energy to serve the cause of building and defending communism." A great deal of attention was paid by Politburo spokesmen and by the Soviet press to statements by "consistent anti-Soviet advocates" in the United States, among them Senator Tydings, who had called for efforts to avert war. Soviet leaders have frequently mentioned their particular interest in the peacetime uses of atomic energy, which, they have claimed, would be blocked by "vested interests" in Western nations, and have demanded simultaneous discussion of conventional weapons as well as of "unconventional" new weapons of mass destruction. Until now, however, the United States has concentrated on attempts to devise workable international control of atomic energy, contending that once such a formula had been found it could serve for control also of other weapons.

5. PROPAGANDA. Mr. Acheson suggested that the Kremlin "refrain from using the

Communist apparatus" to overthrow established governments by subversive means, and "desist from" and cooperate with efforts to prevent "indirect aggression across national frontiers." This issue has been at the root of controversies between the Soviet government and the West since 1917. It is a matter of record that the Kremlin, through the Communist International located in Moscow and, since World War II, through the revival of policies previously followed by the Tsars, has sought to alter the political and economic systems of other countries. It is also a matter of record that, in the early years of the Soviet regime, the Western powers worked for its overthrow. At the present time, as publicly admitted, the United States is endeavoring to weaken existing Communist governments and to drive a wedge between them and the peoples they rule.

If the Russians accepted our conditions, would we think it advisable to desist from opposing Communist regimes where they exist and from pressing for the establishment of governments we favor? Should we desist? Should we give up support of Chiang Kai-shek, for example, and recognize the Chinese Communist regime? Should we let economic relations develop freely between West and East, as long urged by the United Nations Economic Commission for Europe—or continue to bar many essential exports in the hope of thereby weakening the economies of Communist-ruled lands? Our methods, obviously, are vastly different from those of the Russians. Not only do we not resort to ruthlessness but, on the contrary, have been ready to give extensive economic aid to other countries—but only provided they refrain from having Communist governments that are on good terms with Russia. Has our past policy been right? Are we ready to abandon it if Russia accepts our terms?

6. TREATMENT OF DIPLOMATS. This issue is closely tied to Mr. Acheson's sixth point, concerning the proper treatment of diplomatic representatives whom Russian-dominated countries, he said, have treated as "criminals" and have represented as "sinister" and dangerous persons. It is obvious that diplomatic relations cannot be carried on if restrictions are placed on the activities of accredited personnel. As long as the present situation of "cold war" persists, however, embassies of both sides will be regarded as foci of propaganda and refuges of opposition elements, whether or not they are so in fact. The treatment of diplomatic representatives is a symptom of the disease—a symptom which would disappear if it were possible to arrive at a live-and-let-live situation.

Realism vs. Hysteria

7. No "DISTORTION." It is this over-all *modus vivendi*, or "co-existence of the two systems," that Mr. Acheson presumably had in mind when, in his seventh point, he invited the Soviet leaders to stop "distorting" the picture of the outside world, especially to their own people, through "the morbid fancies which their propaganda exudes of a capitalist encirclement, of a United States craftily and systematically plotting another world war." He went on:

"They know, and the world knows, how foreign is the concept of aggressive war to our philosophy and our political system. They know that we are not asking to be the objects of any insincere and effusive demonstrations of sentimental friendship. But we feel that the Soviet leaders could at least permit access to the Soviet Union of persons and ideas from other countries so that other views might be presented to the Russian people."

Mr. Acheson thus stated eloquently a view on which the majority of Americans would agree. Would it be possible to follow the obverse of his proposal here? Could George Kennan's conclusion that Russia is not planning war on the United

States be given greater publicity than the fear-ridden editorials and scare stories that have been the daily fare of some of the most influential sectors of our press? We can justifiably take pride in our past record in this regard as compared with Russia. Shall we mar this record now by adopting, on grounds of self-defense, the practices we condemn on the part of the Soviet leaders? Or, on the contrary, shall we set Moscow the example by showing that we feel we have nothing to fear from doctrines and practices that claim to challenge our own?

Mr. Acheson's seven-point program has brought into focus the principal issues on which the United States would like to have the U.S.S.R. act to demonstrate its will to peace. It is not yet clear, however, whether if Moscow did so act, the areas of the world now the subject of controversy would actually undergo transformations that would assure both East and West "reasonable security." The world is far more complex than appears from official statements in either Washington or Moscow. Mr. Acheson rightly points out the difficulties and pitfalls of reaching an over-all settlement with Russia. Assuming that war is not inevitable, the best that can be expected is gradual adjustment of outstanding issues which, under the most favorable circumstances, will be a slow and arduous process. This process can be gravely imperiled by tangential and prejudiced attacks on the Department of State both by those who consider it too "soft" and those who consider it too "hard" toward Russia. It can be greatly facilitated by closer give-and-take between the government and the citizens. Once the public has been thoroughly informed, it will be in a far better position than it is today to question attacks by some Congressmen on the Department of State, and to support well-considered foreign policy decisions.

VERA MICHELES DEAN

International Action Needed to Resolve Oil Dispute

The recent proposal by Senator Tom Connally, chairman of the Foreign Relations Committee, to deprive Britain of ECA aid unless its policy of discriminating against American oil interests ceases, turned the spotlight on the long-smoldering dispute between the two nations concerning the question of "dollar oil" versus "sterling oil." The Senator from Texas, a state whose prosperity rests in large part on its oil resources, sponsored legislation, passed

by Congress in February 1935, which served to diminish free competition in the domestic oil industry by permitting the use of production quotas and marketing agreements to keep the price of oil from tumbling. His apparent willingness to endanger the continued success of the European Recovery Program because Britain is following a discriminatory rather than a competitive oil policy can probably be ascribed to his intimate knowledge of the problems,

and concern for the welfare, of the American oil industry.

The dispute, however, is far more complicated than a simple case of arbitrary British discrimination against American oil interests. The matter was discussed in Washington in September 1949 during the American-British-Canadian economic conferences. There, according to the joint communiqué issued at the conclusion of the talks, the participants "mutually rec-

ognized that the question of oil production and refining, and geographical distribution raised problems of extreme complexity involving the protection of legitimate interests of the major producing countries and companies." It was agreed that "further study would be required." Granting the complexity, the magnitude of the problem can be judged from the fact that, measured by bulk or by value, oil is the most important commodity in international trade.

The British Position

Oil transactions involve the single largest drain of dollars on the British economy. Based on current prices, the net dollar cost to the sterling area of oil transactions is estimated at \$625 million for 1950. Of this sum, \$350 million is accounted for by the sales of American companies in the sterling area, and the balance includes part of the expenses arising from the worldwide operations of British oil companies (in which classification the Royal Dutch-Shell group is included). These latter expenditures cover the purchase of American equipment as well as working-capital expenses in certain hard-currency areas such as Venezuela, Curacao and Iran.

The British, since the conclusion of the war, have tried to cut all dollar expenditures to the minimum and have also, with American assent, sought to fill their resource needs from non-dollar areas. Immediately after World War II, the world oil shortage made it almost impossible to rely on any source save the United States for oil supplies. Now, according to the British, the shortage has eased, and there is, or will shortly be, a surplus of oil available from sterling area sources. The end of the world oil shortage, combined with the continuation of the dollar crisis, led the British to curb purchases of dollar oil. As of February 15, London banned all imports of dollar fuel oil, and ordered a reduction by 30 per cent in gasoline shipments from American companies.

The British knew that this step was bound to arouse resentment among American oil companies which would, naturally, be concerned about their exclusion from sterling area markets normally consuming one-third of the oil sold in international trade. They sought to secure American approval and postponed the original effective

date of the restrictions which was to have been January 1. It soon became apparent, however, that agreement would not be easily reached, and by the middle of February the British decided that the proposed controls could no longer be postponed.

The American Rebuttal

American disapproval of the British move is based on several considerations. Both the administration and the oil companies have expressed doubt that the motivating force behind the British decision is concern over the dollar reserve. If Britain goes ahead and reduces the 13 million tons of refined products that American companies sell to the United Kingdom to 9 million tons, the additional 4 million tons cannot be acquired without some dollar expenditure. The American companies have suggested that the British calculate the dollar cost of getting these 4 million tons from other than United States Middle East producers, and then limit the dollar payments to the American suppliers of this volume to that sum. The American companies would be willing to accept the balance in sterling. The British refusal to accept this offer has buttressed impressions prevalent here that they are instituting a trade war and are seeking to drive the United States out of the world oil markets. The American government and oil companies cite Britain's unwillingness to allow American firms to accept sterling for sales in non-dollar areas, and its recently negotiated bilateral agreement with the Argentine which effectively closed that nation as a market to American companies, as additional proof of the real intent of British policy. Britain's claim to a surplus of sterling oil is derided. It is pointed out that if the present austere gasoline ration of 90 miles per month for pleasure-cars were raised, all talk of a surplus of sterling oil would cease.

International Action Needed

There is merit in both points of view. No one can gainsay the British need to husband dollars and increase exports. Likewise, its desire to develop its own oil industries is perfectly comprehensible. On the other hand, the American oil companies cannot be criticized for objecting to their exclusion from a large part of world trade in oil, not by virtue of their inability

to meet the price competition of other producers, but as a result of discriminatory British trade policy.

The American government is concerned about two special aspects of this problem. One is the question of our oil supplies in the event of another war. If the British go ahead with their new policy, American-owned oil production will be severely curtailed, and another war would find us unable to satisfy both our combat and industrial needs. The second aspect is the possible adverse effect of the British decision on the new Point Four program. One of the aims of that program is to stimulate American private capital export, but the confidence of the private investor may be shaken when he sees how easily the \$2 billion worth of investments of the five big American oil companies is undermined by another nation's trade policies.

It is becoming increasingly clear that the only way to satisfy the legitimate conflicting interests is by conference rather than by unilateral action. Perhaps an international commodity agreement for oil that includes better world marketing arrangements would be a step in the right direction.

HOWARD C. GARY

Branches and Affiliates

- *BETHLEHEM, March 24, *The Nuremberg Trials*, Eugene Miller, Samuel M. Hesson, and film
- *BUFFALO, March 25, *Model General Assembly*, high school students
- *RHODE ISLAND, March 26, *Peace or Power: Soviet-American Relations and the Atomic Arms Race*, Theodore Paulin
- *WORCESTER, March 27, *West European Rearmament as a Feature of Our Defense Policy*, John Scott, Devere Allen
- UTICA, March 28, *South America, Continent in Crisis*, Ray Josephs
- COLUMBUS, March 29, *Washington Views the World*, Blair Bolles
- *PITTSBURGH, March 29, *Behind U.S. Foreign Policy*, James B. Reston
- *RHODE ISLAND, March 29, *United Nations in Action*, Glen G. Costin
- *RHODE ISLAND, March 30, *Women's Role in Asia*, Mrs. Lakshmi Nandan Menon
- *ELMIRA, April 4, *Atomic Energy and Its Effect Upon Foreign Policy*, Lloyd P. Smith
- MILWAUKEE, April 4, *Frontiers of U.S. Foreign Policy*, Brooks Emeny
- MINNEAPOLIS, April 5, *Frontiers of U.S. Foreign Policy*, Brooks Emeny
- ST. PAUL, April 6, *Frontiers of U.S. Foreign Policy*, Brooks Emeny

*Data taken from printed announcement.